

Strategic change management - styles and roles

Case duration (Min): **45-60**

Strategic Management (SM)

Strategic change**Worldwide****Case summary:**

This case is concerned with the management tasks and processes involved in changing strategies. Practitioners must recognise that simply designing a new strategy, business process, structure or system will not necessarily result in change taking place. Other factors must be considered in order to make change happen. Making change happen requires the organisation to diagnose problems, create solutions, overcome inertia and resistance to change. Through this case, students should recognise that not all strategic change happens in a top-down manner (where senior managers decide strategy, plan how it will be implemented and then effect the required change). Strategies often emerge from lower down in the organisation. Considers the role people play in managing strategic change and how they do it - styles of managing change; Mark King discusses the innovation in managerial techniques that transformed TaylorMade Adidas Golf Co.

Learning objectives:

Explain the role of different change agents and the main styles they apply to managing change.
Consider alternative ways of overcoming resistance to change.

Case problem:

What are the different styles of managing strategic change? When should participation and collaboration be considered and why?

Recreational Goods, Other

Company

TaylorMade-adidas Golf Company (TMaG)

www.taylormadegolf.com/

TaylorMade-adidas Golf Company (TMaG) is a US-headquartered subsidiary of the German based adidas Group. TaylorMade was started in 1979 by Gary Adams, the inventor of the metalwood, and the company has continued to maintain a consistent presence at the top of golf product innovation since that time. TaylorMade was independently owned until adidas bought the company in 1997. TaylorMade-adidas Golf had its first \$1 billion revenue year in 2006. Adidas Golf creates high-performance, technology-infused golf apparel and footwear worn by hundreds of professional golfers around the world. The company markets TaylorMade drivers, fairway woods and hybrids, irons, wedges, and golf balls. Mark King assumed the role of CEO and President of TaylorMade-adidas Golf (TMaG) in 2003.

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

Title/ Media type	URL/ Media description
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A New Way to Swing:

http://feedroom.businessweek.com/?fr_story=5e19bde969243477883a3f3f33424763bc37e434&rf=bm

Film

Involving employees in the “how”, Mark King discusses the innovation in managerial techniques that transformed TaylorMade Adidas Golf Co.

NOTES:

Case study questions...

Action	Pre/During/After class
<p>1 STYLES OF MANAGING (STRATEGIC) CHANGE:</p> <p>In the film, Mark King discusses traditional top-down approaches to change (that typically result in failure) and compares them with alternative approaches - Involving employees in the "how". Compare and contrast the top down (direction and coercion) and collaborative styles of managing change; you should describe each style and consider the possible benefits and problems associated with each.</p>	During
<p>2 THE IMPORTANCE OF CONTEXT:</p> <p>Scholars have argued that some styles are more appropriate in some contexts rather than others. Consider the comments of Mark King in the film clip and your wider readings and discuss the appropriateness of different styles in different contexts: when is a top-down style likely to be more appropriate and when might a collaborative style prove more successful? In your answer you should discuss the key stages involved in managing strategic change (diagnosis, strategy creation and implementation), types of strategic change (transactional/adaptation or incremental and transformational/revolution) and the importance of context (how quickly change is needed, the degree of change required, readiness to change and change leader power).</p>	During

CHANGE AGENT

any member of an organization seeking to promote, further, support, sponsor, initiate, implement or deliver change. Change agents are not necessarily senior managers and do not necessarily hold formal 'change management' job titles and positions.

RESISTANCE TO CHANGE

an inability, or an unwillingness, to discuss or to accept organizational changes that are perceived in some way to be damaging or threatening to the individual.

PARTICIPATIVE LEADERSHIP

Involves consulting with subordinates (followers) and the evaluation of their opinions and suggestions before the manager makes the decision

EMPLOYEE INVOLVEMENT

Represents an opportunity for employees to become involved beyond the normal scope of their job in decision making and/or running the business.

TRANSFORMATIONAL CHANGE

a fundamental change impacting upon the whole organization (the leader, mission, strategy and culture)

TRANSACTIONAL CHANGE

changes to components of the organization such as the structure, systems and processes

LOGICAL INCREMENTALISM

Logical incrementalism is the deliberate development of strategy by experimentation and learning from partial commitments.

Question/ Answer

1 STYLES OF MANAGING (strategic) CHANGE:

In the film, Mark King discusses traditional top-down approaches to change (that typically result in failure) and compares them with alternative approaches - Involving employees in the "how". Compare and contrast the top down (direction and coercion) and collaborative styles of managing change; you should describe each style and consider the possible benefits and problems associated with each.

Direction involves the use of personal managerial authority to establish a clear future strategy and how change will occur / Coercion is the imposition of change or the issuing of edicts about change. Collaboration or participation in the change process is the involvement of those who will be affected by strategic change in the change agenda (Employee involvement - Represents an opportunity for employees to become involved beyond the normal scope of their job in decision making and/or running the business). Participative leadership involves consulting with subordinates (followers) and the evaluation of their opinions and suggestions before the manager makes the decision.

Direction and coercion provide clarity and speed and might be successful in crisis but risk a lack of acceptance and do not benefit from a diversity of inputs to better understand the problems and solutions i.e. decision quality may not be high.

Collaboration and participation may, on the other hand, improve the quality of decisions by obtaining many diverse views on problem solutions and lead to increased ownership of decisions, making the likelihood of change greater. Additional benefits include enhanced employee satisfaction and therefore commitment and motivation and a culture of change readiness. However such an approach is likely to be time-consuming and may be constrained and limited through the involvement of employees locked into the existing paradigm.

2 THE IMPORTANCE OF CONTEXT:

Scholars have argued that some styles are more appropriate in some contexts rather than others. Consider the comments of Mark King in the film clip and your wider readings and discuss the appropriateness of different styles in different contexts: when is a top-down style likely to be more appropriate and when might a collaborative style prove more successful? In your answer you should discuss the key stages involved in managing strategic change (diagnosis, strategy creation and implementation), types of strategic change (transactional/adaptation or incremental and transformational/revolution) and the importance of context (how quickly change is needed, the degree of change required, readiness to change and change leader power).

There is no one right formula for the management of change. Contexts are completely different and the approach to managing change therefore needs to be different. There are a number of contextual features that need to be taken into account. The time available for change varies, with change required more quickly in some cases. An organisation facing crisis or needing to change direction very fast may lend itself to a more directive or coercive style. Organisations must also consider the degree of change needed (transformational change is fundamental change impacting upon the whole organization (the leader, mission, strategy and culture). In terms of time and scope, participative styles are likely to be most appropriate for incremental change within organisations, but where transformational change is required, directive approaches may be more appropriate. Clear direction may be imperative to motivate a desire or create a readiness to change. Organisations with a flatter hierarchy or empowered culture have employees that are likely to expect to become involved and participate.

ADAPTATION

The ability to make incremental adjustments as a result of environmental changes, goal structure changes, or other changes.

COLLABORATION

Collaboration or participation in the change process is the involvement of those who will be affected by strategic change in the change agenda

DIRECTION

Direction involves the use of personal managerial authority to establish a clear future strategy and how change will occur

COERCION

Coercion is the imposition of change or the issuing of edicts about change

Case study references

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Johnson, G., Scholes, K. and Whittington, R. (2006) 'Exploring Corporate Strategy Enhanced Media Edition', FT Prentice Hall.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Thompson, J L. and Martin, F. (2005) 'Strategic Management', Ed. 5. Cengage Learning EMEA.